

APPROVAL OF REZONE REQUEST

Potential Conditions to Approval of Rezone

(publication of zoning amendment ordinance)

- Finalize development agreement that requires TOSV to:
 - Obtain all required permits and approvals from City
 - Comply with all applicable laws, regulations
 - Construct all improvements as required, including infrastructure
- Completion of environmental remediation of pilot phase acreage at TOSV's cost (full payment or reimbursement to City) and receipt of Certificate of Completion or equivalent
- Executed guaranty of up to \$5 Million from Joseph and Celia Grenny

Development Agreement – Defaults and Remedies

- The Development Agreement and its potential remedies for the City in an event of default apply during the construction period. Such events of default may include, but are not limited to:
 - TOSV not constructing the improvements within the time limit provided for in the schedule of development
 - TOSV fails to build the improvements as required
 - TOSV fails to provide regular development reports
- Potential remedies if TOSV fails to remedy an event of default:
 - Terminate the ground lease with TOSV, with our option (not obligation) to purchase the improvements
 - Terminate the ground lease with TOSV, take possession of the improvements, and relet the property
 - Enforce on the performance and payment guarantees to complete the construction of the improvements
 - File a breach of contract claim (which may result in damages or specific performance)
 - Any other remedies available at law or equity

APPROVAL OF PUBLIC BENEFITS ANALYSIS

Potential Conditions to Authorize Execution of Below FMV Ground Lease

- Finalize development agreement
- Approve financial sources and uses
- Firm financial commitments for source funding and donations
- Operating budget guaranty from TOSA
- Completion of environmental remediation of pilot phase acreage at TOSV's cost (full payment or reimbursement to City) and receipt of Certificate of Completion or equivalent

Potential Ground Lease Requirements

1. Completion of development in compliance with the Development Agreement and continued operation of Village as developed. Development shall include:
 - (a) At least 60 tiny homes to be used as permanent housing; at least 54 units (or 90% of the total permanent housing units) shall be deed-restricted as affordable to standard described in the term sheet
 - (b) At least 3 affordable units are ADA compliant/wheelchair accessible, and more if dictated by resident needs
 - (c) Up to 6 units (not more than 10% of the total permanent housing units) may be used as staff living quarters
 - (d) Up to 25 additional tiny homes may be used as a Community Inn offered as nightly rentals to generate income for TOSV operations
 - (e) A ~ 2,000 square foot Neighborhood Center to house clubhouse type uses for TOSV residents (or sized as appropriate)
 - (f) A ~10,000 square foot Social Enterprise Building to house social enterprise endeavors that generate income for the TOSV operations (or sized as appropriate)
 - (g) A ~12,000 square foot Community Center building to house multi-purpose space, and supportive services for TOSV residents including a medical clinic, a mental health clinic, a social services clinic, administrative offices, and a security office (or sized as appropriate)
 - (h) Utility service and related infrastructure; roads and curb/gutter
2. Compliance with attached term sheet to be attached to Resolution (may be modified by Council).
3. The primary purpose of the Village is to provide housing for qualified residents. The different uses within the Village (residential, supportive services, social enterprise, and commercial/community inn) should be constructed alongside each other so that there are services to support occupied residences and enterprise to support operation of TOSV. For every 10 residential units constructed, at least 9 shall be affordable units.
4. Continual operation of the residential units and supportive services during the lease term.
5. Transportation to off-site supportive services must be provided.
6. Occupancy by residents promptly following receipt of certificate of occupancy (or equivalent)

7. Annual Reports - reporting requirements on term sheet and other requested metrics
8. Council Review – review (not more than one time per year) to evaluate purpose and operation compliance
 - (a) Financial feasibility, successfully generating sufficient positive cashflow to maintain and grow its operations. Potential metrics:
 - i. Development viability – Funding and construction of the agreed-upon capital improvements.
 - ii. Operating viability – Development of revenue generating endeavors that provide for the financial self-sufficiency of TOSV, including adequate funding to support on-site supportive services.
 - (b) Social outcomes of the target populations, reducing the number of chronically homeless individuals and improving the well-being of residents. Potential metrics:
 - i. Housing Accessibility – Number of chronically homeless and homeless individuals that successfully obtain housing within the Village.
 - ii. Length of Stay – Average days that TOSV residents successfully maintain housing in the Village.
 - iii. Returns to Homelessness – The extent to which TOSV residents return to homelessness from being housed within the Village.
 - iv. Employment – Percent of TOSV residents that successfully obtain and retain employment.
 - v. Income Growth – Percent of income growth for TOSV residents.
 - vi. Service Provider Partnerships – The extent to which TOSV establishes partnerships with services providers to provide on-site and offsite supportive services.
 - vii. Housing Referral Partnerships – The extent to which TOSV establishes partnerships with service providers for housing referrals.
 - (c) At the neighborhood level, the project’s positive impact on the surrounding community. Potential metrics:
 - i. Community Amenities – The successful development and operation of agreed-upon community amenities, including a bodega or cookie storefront.
 - ii. Public Safety – The number of Police calls and cases.
 - iii. Code Enforcement – The number of enforcement cases.
 - iv. Environmental – The extent to which TOSA completes the necessary environmental mitigation for the planned land uses.
10. Maintenance of all Improvements, including buildings, homes, street, gutter, storm drains, etc.
11. Units are studio or one-bedroom units with private baths and kitchens, fully furnished including housewares, maintained in good repair and compliant with applicable law.
12. Supportive services and employment are offered for residents to participate on a voluntary basis.
13. Employment of residents complies with all applicable laws, including all employment and non-discrimination laws.

13. All standard City contracting terms are included, as well as other terms reasonably recommended by the City Attorney to meet Council intent.
14. Operation of bodega or similar grocery type store (can have 3rd party operator).
15. City will not provide further financial contribution to operation of Village. Any future phases must be approved by City Council.
16. Adequate security measures for Village and surrounding community.

Ground Lease – Default and Remedies

- The Ground Lease and its potential remedies apply during the entire period of construction (once the Ground Lease is executed) and operation of the TOSV. Such events of default may include, but are not limited to:
 - TOSV fails to operate the Village as required
 - TOSV fails to comply with the terms of the Ground Lease
 - TOSV fails to provide regular operating reports
 - TOSV fails to report to Council as required
- Potential remedies if TOSV fails to remedy an event of default:
 - Charge TOSV fair market rent for the leased property
 - Terminate the ground lease with TOSV, with an option (not obligation) to purchase the improvements
 - Terminate the ground lease with TOSV, take possession of the improvements, and relet the property
 - File a breach of contract claim (which may result in damages or specific performance)
 - Injunctive relief
 - Any other remedies available at law or equity

TOSV Pilot Project – Affordable Housing, Supportive Services, and Programming

Term Sheet

(to be attached to Resolution)

AFFORDABLE HOUSING

I. Unit Requirements

TOSV shall develop and maintain the Site to include a minimum of 60 tiny home units. Of the total units:

1. Up to 10% may be unrestricted in rent and occupancy for utilization by staff.
2. A minimum of 90% shall be available and affordable to individuals or families meeting the HUD-adopted definition of chronically homeless and homeless, with a priority on chronically homeless. These units shall be designated as the “Affordable Units”.

II. Occupancy Requirements

TOSV must place into the Affordable Units individuals and families that meet the HUD-adopted definition of chronically homeless and homeless, prioritized as follows:

1. TOSA shall first make the units available to persons or families that meet HUD’s definition of chronically homeless as defined in section 401(2)(A) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)). In general, to meet this definition, a chronically homeless person or family’s head of household must be sleeping in a place not meant for human habitation or living in a homeless emergency shelter or safe haven, have a disabling condition, as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)), and
 - i. be continuously homeless for a year or more, OR
 - ii. have had at least four episodes of homelessness in the past three years as long as the combined occasions equal at least 12 months.
2. If there are units available and no applications from chronically homeless individuals, TOSV may lease units to vulnerable homeless individuals, as “homeless” is then-currently defined by HUD, provided that applicants who have been homeless for the longest periods of time immediately preceding their application are given priority over applicants who have been homeless for lesser periods of time.

III. Tenant Eligibility

To determine whether a tenant is eligible, TOSV must verify that the prospective tenant meets HUD’s definition of chronically homeless or homeless and whose incomes have an aggregate annual income for all occupants that is 30% and below of the area median income for Salt Lake City Utah, HUD Metro FMR Area as adjusted for household size.

IV. Tenant Selection

1. The Affordable Units shall be made available pursuant to federal and state fair housing laws and HUD guidance, including the following:

- i. TOSV may establish admission preferences, including a preference for individuals with a commitment to sobriety, but may not deny housing to protected classes pursuant to federal and state fair housing laws.
- ii. TOSV may regulate the occupancy of units based on unit size but may not unreasonably limit the ability of families with children to obtain housing.

2. TOSV must develop and make public written tenant selection policies and procedures that include descriptions of the eligibility requirements. The Tenant Selection Plan must include evidence of a contractual partnership with service provider(s) and whether there is a restriction or preference in the admission of tenants. The restriction or preference must cite the supporting documentation to ensure inclusion and nondiscrimination in the selection of tenants.

3. TOSV will ensure that all applicants for housing in the project will go through the coordinated entry process used by the Salt Lake Valley Coalition to End Homelessness to ensure coordination and efficiency with the current homelessness services system.

4. TOSA also will enter any new resident into the Homeless Management Information System ("HMIS") coordinated entry system.

5. Preference will be given to Salt Lake City residents for placement into the development.

V. Maximum Rents

The annualized rent (which includes all required housing costs such as utilities and other charges uniformly assessed to all Affordable Units, other than charges for optional services) per unit shall be set forth in a written lease and shall not exceed, for the term of the lease, 30% of the annual income limit for individuals and households with a maximum AMI of 25% AMI for the applicable Unit Type (i.e. studio or bedroom number).

VI. Tenant Lease Requirements

1. Leases may be provided on a month-to-month basis, with the intent that tenants may live in their homes as long as they meet the basic obligations of tenancy without a time limitation.

2. TOSV shall comply with local, state, and federal laws, including the federal fair housing act, when approving applicants as tenants, evicting, terminating a lease, or providing a notice to quit.

3. TOSV must incorporate specific provisions into the lease agreement for each eligible tenant of the Affordable Units that establish the tenant's obligation to provide accurate information regarding household income and composition.

VII. Record-Keeping and Reporting Requirements

1. Upon execution of a lease, TOSV must verify and document the tenant's annual (gross) income.
2. TOSV must re-examine the income and household composition of tenants on an annual basis.
3. TOSV must submit annual compliance reports to the City. These reports shall document the occupancy and show whether TOSA is in compliance with tenant eligibility requirements.
4. TOSV must provide the City a written certification of compliance when the project reaches initial compliance and then with each annual report.

SUPPORTIVE SERVICES

The pilot project will include supportive services to assist homeless persons in transitioning from homelessness, and to promote the provision of supportive housing to enable homeless persons to live as independently as possible. Supportive services will include on-site case coordination or management that ensures tenants' access to a wide variety of services and on-site location of services provided by professional service providers as evidenced through an agreement. Services shall be made available on a flexible and voluntary basis and may address the following: mental health, substance and alcohol use, health, case management, independent living skills, employment, peer support, and community involvement and support. Physical and mental health providers shall have the appropriate licenses, which other services may be provided by those with appropriate training and following industry best practices.

PROGRAMMING

The pilot project will include programming that includes peer mentoring and the life skill development. This will include opportunities for residents to obtain employment experience by working in a social enterprise to the best of their ability. While participation in these employment activities shall be encouraged, it is not a condition of living in the pilot project.

TERM

The term of the lease will be forty (40) years with an option to renew the lease within the last year of the lease subject to approval by the Salt Lake City Council for the reduced lease rate.

LEASE RATE

The lease rate for the property will be \$1 per year for the term of the lease.